GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:1822
ANSWERED ON:02.08.2001
PURCHSING OF DEMAND DRAFT
SULTAN SALAHUDDIN OWAISI

Will the Minister of RAILWAYS be pleased to state:

(a) whether railway station are purchasing demand drafts from local banks and paying 2% bank charges;

(b) if so, the details thereof and the reasons for paying exorbitant charges to Banks;

(c) whether railways have to pay interest on overdraft;

(d) if so, whether railways propose to develop a software for immediate transfer arrangements with banks to save hundred crores of rupees as bank charges and

(e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS AND PARLIAMENTARY AFFAIRS (SHRI O. RAJAGOPAL)

(a) Yes sir, a few stations on North East Frontier Railway & Western Railway are purchasing demand drafts from banks for station cash before onward submission to Railway cash office for deposition in Railway accounts.

(b) Normal bank charges are being paid for demand drafts. Efforts were also made to open more government accounts with Public Sector Banks after obtaining approval of Reserve Bank of India for direct deposit of Railway cash at stations.However, even after opening more accounts with the banks, at some places the banks are unable to handle cash due to lack of adequate storage space in their Cash chest. This has also resulted in the stations being compelled to purchase demand draft to eliminate risk in safe transit of station cash.

(c) No sir, as the Railways do not have a system of overdraft.

(d) & (e) At selected stations, passenger booking through credit cards is already available. Further, feasibility of electronic transfer of funds is under examination in consultation with Banks and Reserve Bank of India. The matter is being pursued through certain pilot projects entrusted with Banks and once these projects proceed satisfactorily, the scheme will be considered for implementation and extension to other Railways in consultation with Reserve Bank of India and Controller General of Accounts.Further, at an average Rs. 3.59 lakhs per month only are being paid as bank charges on demand drafts by the Railways.